



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

July 13, 2001

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-04

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Back Pay Awarded Under a Statute

Back pay awarded under a statute is a payment by an employer pursuant to an award, determination, or agreement approved by a court or government agency responsible for enforcing a law that protects an employee's right to employment or wages. Civil Service Commission hearings resulting in back pay are included within this definition. Interest and attorney fees may also be awarded as a result of the back pay.

Wages for back pay are considered wages in the year the payment is made and all applicable taxes should be withheld. Back pay wages are reported on the employee's W-2.

Interest payments are not considered wages and are exempt from payroll taxes. Interest should be reported on a 1099-INT form, which is prepared by OSUP annually. **To ensure that no payroll taxes are withheld from the interest payment and that the interest payment will not be reported on a W-2, wage type 0211 should be used when processing the interest payment through ISIS HR.** The attached 1099 Request Form (OSUP/F20) must be completed and sent to OSUP whenever an interest payment is made. A 1099-INT will be processed at year end and mailed directly to the employee. Copies will be sent to the agency.

Since the laws governing back pay and/or interest payments are very detailed, ISIS HR requests that you contact the ISIS Help Desk at (225) 342-2677 for instructions on how to process these payments. On-line help is not available.

Attorney's fees paid pursuant to a backpay award will continue to be an agency responsibility. These payments should be paid through AFS and reported on Form 1099-Misc under the agency EIN formerly used for payroll reporting. If you have any questions about paying or reporting attorney's fees pursuant to a backpay award, contact Ruth Johnson at the Office of Statewide Reporting and Accounting Policy at (225) 342-1095.

If you have any questions regarding the information in this memorandum, contact a member of the Wage and Tax Administration Unit: Cindy McClure at (225) 342-1652, Rhonda Desselle (225) 342-8928 or Rachel Bryant (225) 342-1651.

JWC:CM

[Attachment: Form OSUP/F20](#)

OFFICE OF STATE UNIFORM PAYROLL
FORM 1099 REQUEST

TO: Office of State Uniform Payroll
1051 North Third Street, Rm. 132B
Baton Rouge, LA 70802

FROM: _____

Agency Name

Personnel Area Number

DATE: _____

Please issue the following Form 1099 for **Tax Year** _____:

1099-MISC [] **or** **1099-INT** []
For wages paid on behalf of a deceased employee. For interest paid pursuant to a back pay award.

Employee Information:

Employee Name

_____-_____-_____
Social Security Number

Personnel Number

Payment Information:

Payee _____ **Social Security Number** _____ **OR** _____ **Taxpayer Identification Number**
of decedent's estate

Check Date: _____

Check Number: _____

Check Amount: \$ _____.

Interest Amount: \$ _____.

Approved by:

Signature

Printed Name

Title

Date

Attachment(s): Proof of Payment (Remuneration Statement and copy of check)
Form W-9, completed with payee information (Deceased employee only)
Affidavit (Deceased employee wages paid to surviving spouse or major child)
Release Document (Deceased employee wages paid to surviving spouse or major child)